

ARTICLE 13 - DEFINITIONS

Allowance

Funds reserved within the MACC exclusively for the use of a specified component of the project, which, at the time the MACC is negotiated, cannot be defined sufficiently in scope to determine a precise budget amount. Allowances cannot be used by the GC/CM for any use other than specified and use must be authorized in writing by the E&AS PM.

Specified General Conditions

Temporary work, staff, and/or fees performed by or paid by the GC/CM to accomplish the project scope of work as detailed in the Request for Proposal.

Buyout

Cost of subcontractor bid and all Team Change Memos (TCM) for a particular bid package.

Buyout Savings (potential)

Buyout savings is the difference between the bid package MACC and the buyout, less the risk contingency as identified within the MACC.

Change Order (CO)

A written document signed by Owner and GC/CM stating their agreement on the scope of the change in the work, the cost, if any, and any change in time. Authorized change order conditions are limited to: change in scope by the Owner, changes required by local and state building code officials *during construction*, some types of omissions on the plans and specifications, and unforeseen site conditions. Design errors not related to constructability and/or coordination are allowable.

Change Order Proposal (COP)

A document used to propose a change in scope and/or schedule between the GC/CM and the Owner that adjusts the Total Contract Cost or contract time. Once agreed to by the project team, the COP is converted to a change order or team change memo.

Commissioning

The process of achieving verifying and documenting the performance of building mechanical and electrical systems through a complete and thorough investigation, to ensure proper installation and operation of all components and systems in order to meet the design intent and Owner's functional and operational needs. The process advances systems from static condition to full dynamic working order, according to the specified requirements. Commissioning requires the participation of the General Contractor, all subcontractors associated with the scope of work to be commissioned, Commissioning Agent, Owner and A/E in a team effort to ensure that all equipment, components and systems have been completely and properly installed and put into service.

Commissioning Agent (Cx)

An independent agent under contract to the owner who facilitates the commissioning process on behalf of the owner. The GC/CM is responsible to assist in coordinating the work of the Cx with the various trade contractors.

Constructability Review

The systematic analysis of the project design and/or its elements by an experienced team of construction experts for the purpose of optimizing the ease with which the design can be constructed. It includes, but is not limited to, the analysis of drawings and specifications for clarity, consistency, coordination between disciplines and between drawings and specifications, and completeness; schedule feasibility; work-site accessibility; conflicts among disciplines; suitability of work divisions; choice of construction methods, materials and equipment; and procurement procedures as further described. Constructability review begins during schematic design and continues through the end of construction documents.

Cost of the Work

Sub-contractor cost which includes change orders.

Engineering and Architectural Services (E&AS)**Field Authorization (FA)**

A State document used to authorize a change in the work allowing the work to proceed immediately to prevent delay in the project. A FA will be converted to a CO or TCM upon approval of cost documentation.

Department of Enterprise Services (DES)

The State of Washington contracting agency for construction of public works in the State of Washington.

General Contractor/Construction Manager (GC/CM)

Means a firm with which a public body has selected and negotiated a maximum allowable construction cost to provide services during the design phase and to act as construction manager and general contractor during the construction phase.

Maximum Allowable Construction Cost (MACC)

The maximum cost of the work to construct the project including a percentage for risk contingency, negotiated support services, and approved change orders which is fair, reasonable, and within available funds.

Design MACC - The cost specified in the A/E agreement for the design of the project.

Estimated MACC - The projected maximum cost of the Work including risk contingency, to accomplish the project scope set by the State prior to design work beginning.

Negotiated MACC - The maximum cost of the Work to construct the project scope including a percentage of Risk Contingency. The Negotiated MACC is negotiated between

the Owner and GC/CM after the design is approximately 90% complete and is the basis for the TCC.

Milestone

A principal event specified in the Contract Documents relating to an intermediate completion date or time.

Negotiated Support Services

Items a general contractor would normally manage or perform on a construction project including, but not limited to, surveying, hoisting, safety enforcement, provision of toilet facilities, temporary heat, cleanup, and trash removal.

Items provided by the GC/CM as reimbursable cost within the MACC on a direct cost basis without markup; these items are not a biddable part of the work.

Percent Fee

The percentage amount to be earned by the GC/CM as overhead and profit.

Pre-construction Services

Throughout the design period the GC/CM will provide services to include, but not limited to, the following: Attend and participate in Design Meetings; Value Engineering; Scheduling; Design Cost Estimating; Constructability Review and Analysis; Interdisciplinary Coordination, Project Management Services; Alternative Construction Options for Cost Savings; and Planning for Sequencing of the work.

Pre-construction Services Fee

The Lump Sum fee amount bid by the GC/CM bidder to provide the Pre-construction Services for the Project.

Project Manager (PM)

The individual representing the Department of Enterprise Services (DES) as the A/E's and GC/CM's primary point of contact for communications with the Owner.

Project Team

Assigned project representatives of the Owner, the A/E, and the GC/CM.

Risk Contingency

A maximum amount of 5% for a renovation project that is included in the Estimated MACC and the Negotiated MACC but not the Design MACC. It is intended to cover cost of changes within the project MACC. Owner approval is required prior to expenditure of Risk Contingency. The remaining end of project Risk Contingency is considered part of the buyout savings and returns to the Owner by change order.

Team Change Memo (TCM)

A document used to obtain Owner approval of changes within the MACC. TCM's shall receive the approval of the Owner (See Appendix B). Authorized TCM conditions include,

but may not be limited to: coordination issues, constructability issues, scope of work gap not covered in subcontract bid packages. Design errors and omissions are TCM's when related to constructability and/or coordination issues. Funds for TCM's are derived from the Risk Contingency.

Total Contract Cost (TCC)

The TCC is the fixed cost to perform all work required to complete the project. The TCC is composed of the percent fee, detailed specified general conditions, and the negotiated MACC.

Value Engineering

This is a systematic, multi-disciplinary analysis of a design(s), and/or its elements, by an experienced team of experts for the purpose of maximizing value to the Owner by finding viable alternative solutions that reduce cost, while maintaining or improving quality.

Washington State Sales Tax (WSST)

State and local sales tax for the county which the work is being performed in. The bid amount shall not include WSST. All other taxes imposed by law shall be included in the bid amount. The Owner will include WSST in the progress payments. The GC/CM shall pay the Department of Revenue and shall furnish proof of payment to the Owner upon request.

Washington State Business and Occupation Tax (B&O)

State tax imposed by the Department of Revenue for doing business within the state of Washington. The GC/CM shall include B&O tax within the TCC.